

IRS News Release

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IRS Reminds Charities to Avoid Campaign Activities This Election Season

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WASHINGTON — This election season the Internal Revenue Service reminds charities to avoid becoming involved in political campaign activities.

In the 2004 elections, the IRS noticed an upturn in politicking on the part of 501(c)(3) organizations. The agency responded by increasing its educational efforts and launching an enforcement program, the Political Activity Compliance Initiative (PACI), to investigate specific, credible allegations of wrongdoing.

“While the vast majority of charities and churches do not engage in politicking, an increasing number did take part in prohibited activities in the 2004 election cycle,” IRS Commissioner Mark W. Everson said. “The rule against political campaign intervention by charities and churches is long established. We are stepping up our efforts to enforce it.”

The IRS has put procedures into place for the 2006 election season to more quickly address instances of potential prohibited activity on the part of charities, churches and other tax-exempt organizations. The procedures are meant to ensure that public referrals as well as activities the IRS itself uncovers are reviewed expeditiously and treated in a consistent, fair and nonpartisan manner.

As a rule, charities, religious organizations such as churches, educational organizations and other groups that are tax-exempt under section 501(c)(3) of the tax code may not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

This prohibition means 501(c)(3) organizations may not endorse candidates, distribute statements for or against candidates, raise funds for or donate to candidates or become involved in any activity that would be either supportive or opposed to any candidate.

Whether an organization is engaging in prohibited political campaign activity depends upon all the facts and circumstances in each case. For example, organizations may sponsor debates or forums to educate voters. But if the debate or forum shows a preference for or against a certain candidate, it becomes a prohibited activity.

Federal courts have ruled that it is not unconstitutional for the tax law to impose conditions, such as the political campaign prohibition, upon exemption from federal income tax. This position was most recently upheld in *Branch Ministries v. Rossotti*, 211 F.3d 137 (D.C. Cir. 2000).

Several Web-based resources are available that discuss in more detail the issues outlined above. For more information, see:

- IRS Fact Sheet 2006-17, Election Year Activities and the Prohibition on Political Campaign Intervention for Section 501(c)(3) Organizations
<http://www.irs.gov/newsroom/article/0,,id=154712,00.html>
- IRS Reports on Political Activity Compliance Initiative
<http://www.irs.gov/charities/article/0,,id=154622,00.html>
- Procedures for the 2006 Election Season http://www.irs.gov/pub/irs-tege/paci_procedures-feb_22_2006.pdf.pdf
- IRS Publication 1828, Tax Guide for Churches and Religious Organizations
<http://www.irs.gov/pub/irs-pdf/p1828.pdf>
- IRS Publication 1828 Spanish, Guia Tributaria Para Iglesias y Organizaciones Religiosas <http://www.irs.gov/pub/irs-pdf/p1828sp.pdf>